

ABSTRACT

A method enables a consumer to purchase an investment style life insurance policy, in which the individual components can be controlled and/or replaced by the consumer. A consumer first purchases a term life insurance policy. This term life insurance policy can be purchased from any source, including the issuer of the investment style life insurance policy. This term life insurance policy is then transferred to the issuer of the investment style life insurance policy. The transfer enables the recipient (i.e., the issuer) to receive any and all benefits under the term life insurance policy. In return, the issuer issues an investment style life insurance policy to the consumer whose insurance amount equals the face amount of the term life insurance policy originally held by the consumer. The consumer may also transfer other assets/rights/liabilities to the issuer along with the term life insurance policy. In return, the issuer issues an investment style life insurance policy whose underlying investments include the same or similar assets/rights/liabilities. Thus, the consumer can control the type of assets/rights/liabilities underlying the investment style life insurance policy. The issuer may charge a flat fee for the transaction, which is not based on actuarial data. Because the issuer reissues a reciprocal life insurance (or combination investment style insurance) policy to the consumer, there is no need for the issuer to perform actuarial calculations. As term life insurance rates decrease, the consumer can replace the life insurance component with a more inexpensive policy, thereby ensuring the consumer is always capable of receiving the best term life insurance rates available.